

# Exhibit "C"

## LOAN SERVICING AGREEMENT

THIS LOAN SERVICING AGREEMENT ("Loan Servicing Agreement") is made and entered into as of the \_\_\_\_ of \_\_\_\_\_, 2005, by and among Integrated Financial Associates, Inc. a Nevada corporation (the "Servicing Agent"), and the following parties (individually, a "Participant" and collectively, the "Participants"):

XXXXXXXXXXXXXXXXXX

The Servicing Agent and the Participants are sometimes hereinafter referred to collectively as the "Parties," and singly as a "Party," as the context requires or permits.

Whereas Participant(s) have agreed to fund or purchase a \_\_\_\_\_ DOLLAR, (\$ \_\_\_\_\_) interest in all or a portion of a loan in the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) to \_\_\_\_\_, as Borrower, secured by a \_\_\_\_\_ Deed of Trust on real property (the "Loan"), said Loan designated by Servicing Agent as Loan Number \_\_\_\_\_, which loan bears interest at the investor rate of \_\_\_\_\_% (not including loan servicing fees as set forth in Section 5 of this agreement.)

And whereas it is the desire of the parties that Servicing Agent collect and distribute the payments received pursuant to the loan and to enforce the terms of said loan in accordance with the terms of the loan documents.

Now therefore, in consideration of the mutual terms, conditions and covenants contained herein, the Parties agree as follows:

Unless otherwise expressly set forth in this Loan Servicing Agreement, each of the defined terms in this Loan Servicing Agreement shall have the same meaning as set forth in the Loan Agreement and the Loan Documents identified below.

1. Participation:

- (a) Effective on the recording of the Trust Deed (the "Closing Date"), the Participant(s) hereby designates Servicing Agent as his/her/its agent for the purposes of collecting and disbursing the payments of principal and interest from the loan as well and enforcing, on behalf of Participant(s) the terms and conditions of the loan documents, including, but without limitation, the Note, Deed of Trust, Loan Agreement (whether titled Loan Agreement or Construction Loan Agreement) and Guaranties.
- (b) In order to facilitate the administration of the Loan by the Servicing Agent, the original Loan Documents remain in the possession of Servicing Agent and each Participant hereby authorizes the Servicing Agent to execute and deliver, on behalf of Participant, any document which the Servicing Agent deems necessary and proper in its sole and absolute discretion in order to administer the Loan for the benefit of the Parties, including, but without limitation, demands for full or partial payoff, requests for full or partial reconveyances and notices of default.

(c) Each Participant is entitled to his, her or its Participant's Share of the Principal and Interest payments. The Loan Fees and any extension fees are agreed to be compensation to the Servicing Agent for its efforts in arranging for and administering the Loan.

2. Payments:

- (a) In the event that Borrower is not in default of the terms of the Loan, all payments received from or made on behalf of Borrower on the Loan, whether designated by Borrower as Interest, Principal or otherwise, shall be distributed to Participants in proportion to their respective interests in the Loan. In the event of any payments made after a notice of default has been filed on behalf of participants, any payments received will first be applied to reimbursements as set forth in section 5 of this agreement.
- (b) In the event the Servicing Agent is required to disgorge as a voidable preference in any insolvency proceeding brought by or against Borrower or Guarantor, any Interest and/or Principal payments received from Borrower or Guarantor, each Participant agrees upon demand to remit promptly to the Servicing Agent the Participant's Share of all such Interest and/or Principal.

3. Duties of the Servicing Agent:

The Servicing Agent shall hold the Loan Documents as agent for the Participants. The Servicing Agent shall administer the Loan Documents and collect all payments due thereunder and shall promptly remit to each Participant the Participant's Share of all Interest payments and any Principal payments received from or made on behalf of Borrower. The Servicing Agent shall deliver to any Participant, upon request, an accounting of all Interest and any Principal received from or made on behalf of Borrower. The Servicing Agent shall notify each Participant upon the recording of a notice of default under the Loan Documents. The Servicing Agent shall not be liable to the Participants under this Loan Servicing Agreement, or otherwise, for any action taken or omitted or for any error in judgment, unless the same occurred because of the bad faith, willful or gross negligence of the Servicing Agent.

4. Event of Default:

If an Event of Default occurs under the Loan Documents, the Servicing Agent shall contact each Participant with respect to the issue of commencing a foreclosure. The decision of a majority (51%) of the beneficial interests of record shall be binding on all participants and the undersigned Participant agrees to be bound by that determination, both pursuant to this agreement and the authority delegated pursuant to any Power of Attorney between Participant and the Servicing Agent. Additionally, in the event a foreclosure or deed in lieu of foreclosure results in the ownership of the property by the Participants, the decision of a majority (51%) shall be binding upon the Servicing Agent with respect to issues of the sale, leasing or encumbrance of the property.

Upon the commencement of a foreclosure, after polling the Participants as provided above, the Servicing Agent shall take such action or actions and institute such legal and other proceedings as it deems necessary and appropriate to enforce the Loan Documents and collect the Loan, including, without limitation, the foreclosure on the Collateral, and otherwise to protect the rights and interests of the Parties under the Loan Documents, all with or without prior notice or consultation with the Participants.

5. Compensation of Servicing Agent:

The Servicing Agent shall be entitled to retain, from interest payments received, compensation in the form of a loan servicing fee equal to  $1/2\%$  of the total loan amount, as indicated herein, payable to Servicing Agent monthly. Said fee is in addition to any loan origination fees and extension fees paid at the inception or extension of the loan, unless and until there is a default in payment and the Servicing Agent commences collection of the loan or foreclosure upon the security for said loan.

From, the proceeds of any funds collected after the filing of a Notice of Default, the Participants shall reimburse Servicing Agent for all expenses incurred and paid for by the Servicing Agent pursuant to the authority granted to the Servicing Agent under the terms of this Agreement, which expenses may include but are not limited to costs of attorneys, title companies, and other third persons employed for the benefit of the Partnership, costs of borrowed money, taxes and assessments on any real property or interest therein, costs of obtaining zoning, variances, use permits relative to the property which is the subject of the Loan, environmental engineering, utilities, engineering, leasing agents, sales agents, insurances, and all similar expenses incurred in furtherance of this Loan Servicing Agreement. The reimbursement of expenses as set forth in this section shall have precedence over all other distributions to the Participants, whether income, interest or capital.

Thereafter, distributions to the Participants shall be made of their Principal and the Interest on said Principal at the note rate.

Thereafter, interest is payable to the Servicing Agent for all advanced funds at the indicated loan note rate.

Thereafter, the Servicing Agent shall be entitled to receive a fee of 50% of all penalties collected pursuant to the note, 50% of the amount of default interest in excess of the stated interest collected and 50% of any Income realized in excess of the amount of the outstanding loan Principal and accumulated Interest. Nothing contained herein, however, shall authorize the Servicing Agent to receive any sums which are not actually collected pursuant to this agreement.

6. Notices:

All notices, requests, demands, directions, and other communications under this Loan Servicing Agreement shall be in writing and shall be mailed, postage prepaid, or personally delivered, or sent by facsimile transmission. All such notices, requests, demands, directions, and other communications shall be effective if mailed, three (3) business days after posting; if personally delivered, upon delivery; and, if sent by facsimile transmission, upon transmission, provided that a written verification report of such transmission is maintained by the sender and a confirmation copy of the document transmitted is mailed to the recipient in the manner provided herein within twenty-four (24) hours after the time of transmission.

7. No Partnership:

Neither the execution of this Loan Servicing Agreement, nor the sharing of interests in the Loan Documents and the Interest and Principal payable by Borrower thereunder, shall be deemed or construed to be the formation of a partnership or joint venture among the Servicing Agent and the Participants. The Parties understand and agree they are independent Parties.

8. Assignment:

No Participant shall assign, delegate, pledge or hypothecate its rights or duties hereunder without the prior written consent of the Servicing Agent, which consent shall not be unreasonably withheld, and any purported assignment without the Servicing Agent's prior written consent shall be absolutely void.

9. Termination:

This Loan Servicing Agreement shall terminate upon payment in full of the Loan, or the termination of the Loan Documents, and the distribution by the Servicing Agent to each remaining Participant of the Participant's Share of Principal and Interest payments received from or made on behalf of Borrower, or in the event of a sale of the Collateral after a foreclosure proceeding, upon the distribution of the net proceeds thereof to each Participant in accordance with each Participant's Share. In addition, to the extent that the Servicing Agent receives reimbursement from Borrower, or through the sale of the Collateral, of any costs and expenses paid by the Participants in connection with the enforcement of the Loan Documents, the Servicing Agent shall refund such costs and expenses on a prorata basis to the Participants who paid the same.

10. Miscellaneous:

- (a) This Loan Servicing Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the Parties with respect to the subject matter hereof. No modification of this Loan Servicing Agreement shall be binding unless executed in writing by all of the Parties.
- (b) No waiver of any of the provisions of this Loan Servicing Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.
- (c) This Loan Servicing Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The facsimile transmission of a counterpart of this Loan Servicing Agreement shall be the same as the delivery of an original.
- (d) This Loan Servicing Agreement shall be binding on and shall inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and assigns (subject, however, to the restriction on assignments set forth in Paragraph 9 hereof).
- (e) In the event that any provision of this Loan Servicing Agreement shall be held invalid and

unenforceable, such provision shall be severed from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Loan Servicing Agreement.

- (f) Each Party agrees to execute and deliver all documents and to perform all further acts as may be reasonably necessary to carry out the intent and purposes of this Loan Servicing Agreement.
- (g) This Loan Servicing Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to its conflicts of laws provisions.
- (h) If any action or arbitration proceeding is brought by any Party on account of any breach hereof or to enforce or interpret any of the provisions hereof, or if any Party incurs attorney's fees on account of any breach of any of the provisions hereof, the Party prevailing in enforcing its rights hereunder shall be entitled to recover from the non-prevailing Party or Parties all costs and expenses, including attorney's fees reasonably incurred in connection therewith.

IN WITNESS WHEREOF, the Parties have signed this Loan Servicing Agreement as of the date first above written.

Servicing Agent: Integrated Financial Associates, Inc.

By: \_\_\_\_\_

Participant(s):

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